



TO: Mayor Shaun Sipma
Members of the City Council

FROM: David Lakefield, Finance Director

DATE: January 16, 2019

SUBJECT: PACE BUYDOWN – ESSENTIAL LIVING, INC

I. RECOMMENDED ACTION

1. Recommend approval of the Flex PACE Buydown agreement for Essential Living, Inc; and;
2. Authorize the Mayor and City Attorney to sign the necessary documents

II. DEPARTMENT CONTACT PERSONS

David Lakefield, Finance Director 857-4784

I. DESCRIPTION

A. Background

The City of Minot, using Community Development Block Grant National Disaster Resilience (CDBG-NDR) funds, invested in the Park South apartment complex. Essential Living, Inc. is the entity the City has worked with on this project. The City contributed the funds to rehabilitate thirty five (35) apartment units and construct five (5) additional apartment units within the existing structure.

Essential Living, Inc. is in the process of securing permanent financing for the project, which includes a PACE buydown. The City's original contribution to the project counts towards the City's required contribution for the PACE buydown.

B. Proposed Project

N/A

C. Consultant Selection

N/A

II. IMPACT:

A. Strategic Impact:

The City's contribution for the PACE buydown will allow Essential Living, Inc. to secure permanent financing for this project, thus furthering the City's impact in the creation of affordable multi-family housing in the City of Minot. These were CDBG-NDR funds.

B. Service/Delivery Impact:

N/A

C. Fiscal Impact:

Essential Living, Inc. was awarded CDBG-NDR funds in the amount of \$1,970,585.25. This contribution counts towards the City's portion of the buydown.

Project Costs

Original Agreement	\$1,850,000
Change Order #1	<u>120,585</u>
Total	\$1,970,585

Project Funding

280-9620-463.03-22	\$1,970,585
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V. ALTERNATIVES

CDBG-NDR funds have already been distributed to Essential Living, Inc. for the rehabilitation and construction of the Park South apartments. Therefore, the City's portion of the buydown has already been contributed.

VI. TIME CONSTRAINTS

N/A

VII. LIST OF ATTACHMENTS

- A. Essential Living Inc. Agreement
- B. Change Order #1
- C. Addendum to Promissory Note PACE Program
- D. Interest Buydown Agreement PACE Program
- E. Escrow Agreement PACE Program
- F. Community PACE Interest Buydown Application